



BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

FILED

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Application of Southern California Edison Company (U 338-E) for Authorization to Recover Costs Incurred in 2005 and Recorded in the Rainstorm Catastrophic Event Memorandum Account.

A.06-06-020
(Filed July 3, 2006)

PROTEST OF THE DIVISION OF RATEPAYER ADVOCATES

Pursuant to Rule 44 of the Commission's Rules of Practice and Procedure, the Division of Ratepayer Advocates (DRA) submits its Protest to Southern California Edison Company's Application to Recover Costs Incurred in 2005 and Recorded in the Rainstorm Catastrophic Event Memorandum Account.

SCE filed this Application in June 2006 and it was calendared on the Commission's docket on July 3, 2006. In the Application, SCE requests that the Commission find reasonable the sum of \$10.939 million of incremental operations and maintenance (O&M) expenses and \$14.690 million in capital expenditures (which amount to \$11.730 million in capital additions) SCE incurred during torrential rainstorms that caused major damage to SCE's infrastructure in December 2004, and January and February 2005. SCE further requests that the Commission authorize the recovery of the aforementioned sums in rates through the Distribution Subaccount of the Base Revenue Requirement Balancing Account (BRRBA). SCE wants to continue to record the monthly capital-related revenue requirement in the Rainstorm CEMA Capital Cost Subaccount based on the rainstorm capital additions found reasonable in this proceeding until the date of a final Commission decision in SCE's 2009 General Rate Case.

I. IDENTIFIED ISSUES

Preliminarily, DRA identifies the following issues with SCE's Rainstorm CEMA application:

- Whether the \$10.939 million of incremental operations and maintenance (O&M) expenses are reasonable.
- Whether the \$14.690 million of capital expenditures (which amount to \$11.730 million of capital additions) used as the basis for the revenue requirement is reasonable.
- Whether certain costs included in the proposed capital cost subaccount appropriately constitute capital costs.
- Whether other costs and expenses recorded by SCE are in the appropriate categories for ratemaking purposes.
- Whether the incremental costs recorded were incurred to restore utility services to customers, repair, replace, or restore damaged utility facilities, and were in compliance with governmental agency orders in connection with events declared disasters by competent state or federal authorities.

DRA may add other issues since discovery is continuing. DRA reserves the right to amend its concerns as new and additional information become available.

II. RATEMAKING PROPOSAL

SCE requests that the incremental Operations and Maintenance (O&M) Rainstorm costs recorded in the CEMA, and found reasonable by the Commission in this proceeding, be transferred from the CEMA to the Distribution Subaccount of the Base Revenue Requirement Balancing Account (BRRBA) upon the effective date of a final Commission decision. With respect to capital costs, SCE is requesting in its 2009 General Rate Case (GRC) that the Commission find reasonable the incremental capital additions associated with the installation of new poles and associated hardware resulting from removal of trees that had electrical equipment attached to them.

The BRRBA was established pursuant to D.04-07-022 (SCE's 2003 GRC Phase 1 decision). The BRRBA records the difference between: 1) authorized Distribution and Generation base rate revenue requirements, and 2) recorded revenues from authorized Distribution and Generation rates.

DRA will review and examine the data and support for SCE's proposal for compliance with the Commission's policies and regulatory principles.

III. RULE 6 PROCEDURAL TOPICS

DRA agrees with SCE that this proceeding is most appropriately classified as ratesetting.

At this time DRA expects that evidentiary hearings will be necessary. The primary issues to be considered are those discussed in Section II, above, although additional issues may arise during discovery and as a result of future regulatory action affecting the utility's application.

IV. PROPOSED SCHEDULE

DRA will propose a schedule at the time of the Pre-hearing conference.

Respectfully submitted,

/s/ NOEL OBIORA

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August 2, 2006

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the foregoing document
“PROTEST OF THE OFFICE OF RATEPAYER ADVOCATES” in A. 06-06-020.

A copy was served as follows:

☒ **BY E-MAIL:** I sent a true copy via e-mail to all known parties of record who have provided e-mail addresses.

☐ **BY MAIL:** I sent a true copy via first-class mail to all known parties of record.

Executed in San Francisco, California, on the **2nd** day of **August, 2006.**

/s/ HALINA MARCINKOWSKI

Halina Marcinkowski

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address and/or e-mail address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

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